

PART I – THE SCHEDULE**SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS****TABLE OF CONTENTS**

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SECTION B**SUPPLIES OR SERVICES AND PRICES/COSTS****B.1 TYPE OF CONTRACT – ITEMS BEING ACQUIRED**

This is a cost-plus-award-fee type contract for analytical services and testing at the 222-S Laboratory on the Hanford Site. The contractor shall furnish all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the government) and otherwise do all things necessary for, or incident to, the performance of work as described in Section C, Performance Work Statement. The total performance period includes a ninety (90) day transition period, two-year base period, and three (3) 1-year option periods as shown below in the following individual Contract Line Items (CLINs):

(a) CONTRACT TRANSITION:

<u>CLIN No.</u>	<u>Supplies or Services</u>	<u>Estimated Cost</u>
01	Contract Transition	<i>To be inserted by Offeror</i>

CLIN 01 Description:

The performance of CLIN 01 includes the total estimated costs for the contract transition period stated in Section F.1. There is no base or award fee available for this CLIN.

Funds Obligated to CLIN 01:

<u>Modification No.</u>	<u>Accounting and Appropriation Data</u>	<u>Obligation Amount*</u>
<i>To be inserted at the time of award</i>		

* Subject to Section I Clause FAR 52.232-22 entitled, *Limitation of Funds (APR 1984)*, the CLIN 01 value is estimated to be no more than \$ *To be inserted at the time of award*. The cumulative amount identified in this column is the total amount presently available for payment under this CLIN. It is estimated this amount will cover performance through *To be inserted at the time of award*.

(b) BASE PERIOD:

<u>CLIN No.</u>	<u>Supplies or Services</u>	<u>Estimated Cost</u>
02	Analytical Services & Testing	<i>To be inserted by Offeror</i>

CLIN 02 Description:

The performance of CLIN 02 includes the total estimated costs for the performance period stated in Section F.1 and the total award fee that can be earned (less any adjustment made in accordance with Section B Clause *DEAR 952.223-77 Conditional Payment of Fee* and Section H Clause *Key Personnel*).

The total available award fee for this CLIN is to be inserted by Offeror. There is no base fee for this CLIN. The award fee for this CLIN shall be awarded upon the unilateral determination of DOE's fee determination official (FDO) that an award fee has been earned. The unilateral decision is made solely at the discretion of the government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the award fee plan. Provisional payment of a proportional monthly amount equivalent of an amount up to 50% of the available award fee for this CLIN may be permitted.

Immediately upon the FDO's final determination of the award fee for the evaluation period, the Contractor may invoice any fee amount not previously paid or must repay any excess amount paid. Any unearned award fee from this CLIN shall not be eligible to be earned in any other CLINs.

Funds Obligated to CLIN 02:

<u>Modification No.</u>	<u>Accounting and Appropriation Data</u>	<u>Obligation Amount*</u>
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To be inserted at the time of award

* Subject to Section I Clause FAR 52.232-22 entitled, *Limitation of Funds (APR 1984)*, the CLIN 02 value is estimated to be no more than \$ To be inserted at the time of award (including Award Fee). The cumulative amount identified in this column is the total amount presently available for payment under this CLIN. It is estimated this amount will cover performance through To be inserted at the time of award.

(c) OPTION PERIOD I:

<u>CLIN No.</u>	<u>Supplies or Services</u>	<u>Estimated Cost</u>
03	Analytical Services & Testing	<i>To be inserted by Offeror</i>

CLIN 03 Description:

The performance of CLIN 03 includes the total estimated costs for the performance period stated in Section F.1 and the total award fee that can be earned (less any adjustment made in accordance with Section B Clause *DEAR 952.223-77 Conditional Payment of Fee* and Section H Clause *Key Personnel*).

The total available award fee for this CLIN is to be inserted by Offeror. There is no base fee for this CLIN. The award fee for this CLIN shall be awarded upon the unilateral determination of DOE's fee determination official (FDO) that an award fee has been earned. The unilateral decision is made solely at the discretion of the

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government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the award fee plan. Provisional payment of a proportional monthly amount equivalent of an amount up to 50% of the available award fee for this CLIN may be permitted.

Immediately upon the FDO's final determination of the award fee for the evaluation period, the Contractor may invoice any fee amount not previously paid or must repay any excess amount paid. Any unearned award fee from this CLIN shall not be eligible to be earned in any other CLINs.

Funds Obligated to CLIN 03:

<u>Modification No.</u>	<u>Accounting and Appropriation Data</u>	<u>Obligation Amount*</u>
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To be inserted at the time of option exercise

* Subject to Section I Clause FAR 52.232-22 entitled, *Limitation of Funds (APR 1984)*, the CLIN 03 value is estimated to be no more than \$ To be inserted at the time of option exercise (including Award Fee). The cumulative amount identified in this column is the total amount presently available for payment under this CLIN. It is estimated this amount will cover performance through To be inserted at the time of option exercise.

(d) **OPTION PERIOD II:**

<u>CLIN No.</u>	<u>Supplies or Services</u>	<u>Estimated Cost</u>
04	Analytical Services & Testing	<i>To be inserted by Offeror</i>

CLIN 04 Description:

The performance of CLIN 04 includes the total estimated costs for the performance period stated in Section F.1 and the total award fee that can be earned (less any adjustment made in accordance with Section B Clause *DEAR 952.223-77 Conditional Payment of Fee* and Section H Clause *Key Personnel*).

The total available award fee for this CLIN is to be inserted by Offeror. There is no base fee for this CLIN. The award fee for this CLIN shall be awarded upon the unilateral determination of DOE's fee determination official (FDO) that an award fee has been earned. The unilateral decision is made solely at the discretion of the government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the award fee plan. Provisional payment of a proportional monthly amount equivalent of an amount up to 50% of the available award fee for this CLIN may be permitted.

Immediately upon the FDO's final determination of the award fee for the evaluation period, the Contractor may invoice any fee amount not previously paid or must repay

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any excess amount paid. Any unearned award fee from this CLIN shall not be eligible to be earned in any other CLINs.

Funds Obligated to CLIN 04:

<u>Modification No.</u>	<u>Accounting and Appropriation Data</u>	<u>Obligation Amount*</u>
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To be inserted at the time of option exercise

* Subject to Section I Clause FAR 52.232-22 entitled, *Limitation of Funds (APR 1984)*, the CLIN 04 value is estimated to be no more than \$ To be inserted at the time of option exercise (including Award Fee). The cumulative amount identified in this column is the total amount presently available for payment under this CLIN. It is estimated this amount will cover performance through To be inserted at the time of option exercise.

(e) **OPTION PERIOD III:**

<u>CLIN No.</u>	<u>Supplies or Services</u>	<u>Estimated Cost</u>
05	Analytical Services & Testing	<i>To be inserted by Offeror</i>

CLIN 05 Description:

The performance of CLIN 05 includes the total estimated costs for the performance period stated in Section F.1 and the total award fee that can be earned (less any adjustment made in accordance with Section B Clause *DEAR 952.223-77 Conditional Payment of Fee* and Section H Clause *Key Personnel*).

The total available award fee for this CLIN is to be inserted by Offeror. There is no base fee for this CLIN. The award fee for this CLIN shall be awarded upon the unilateral determination of DOE's fee determination official (FDO) that an award fee has been earned. The unilateral decision is made solely at the discretion of the government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the award fee plan. Provisional payment of a proportional monthly amount equivalent of an amount up to 50% of the available award fee for this CLIN may be permitted.

Immediately upon the FDO's final determination of the award fee for the evaluation period, the Contractor may invoice any fee amount not previously paid or must repay any excess amount paid. Any unearned award fee from this CLIN shall not be eligible to be earned in any other CLINs.

Funds Obligated to CLIN 05:

<u>Modification No.</u>	<u>Accounting and Appropriation Data</u>	<u>Obligation Amount*</u>
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To be inserted at the time of option exercise

* Subject to Section I Clause FAR 52.232-22 entitled, *Limitation of Funds (APR 1984)*, the CLIN 05 value is estimated to be no more than \$ To be inserted at the time of option exercise (including Award Fee). The cumulative amount identified in this column is the total amount presently available for payment under this CLIN. It is estimated this amount will cover performance through To be inserted at the time of option exercise.

B.2 DEAR 952.223-77 - CONDITIONAL PAYMENT OF FEE, PROFIT, OR INCENTIVE (JAN 2004)

(a) General.

(1) The payment of fee or profit (i.e., award fee, fixed fee, and incentive fee or profit) under this contract is dependent upon the contractor's compliance with the terms and conditions of this contract relating to the protection of worker safety and health (WS&H), including compliance with applicable law, regulation, and DOE directives. The term "contractor" as used in this clause to address failure to comply shall mean "contractor or contractor employee."

(2) In addition to other remedies available to the Federal Government, if the contractor fails to comply with the terms and conditions of this contract relating to the protection of worker safety and health, the contracting officer may unilaterally reduce the amount of fee or profit that is otherwise payable to the contractor in accordance with the terms and conditions of this clause.

(3) Any reduction in the amount of fee or profit earned by the contractor will be determined by the severity of the contractor's failure to comply with contract terms and conditions relating to worker safety and health pursuant to the degrees specified in paragraph (c) of this clause.

(b) Reduction Amount.

(1) If in any period (see 48 CFR 952.223-77)(b)(2)) it is found that the contractor has failed to comply with contract terms and conditions relating to the protection of worker safety and health, the contractor's fee or profit of the period may be reduced. Such reduction shall not be less than 26% nor greater than 100% of the total fee or profit earned for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure. The contracting officer must consider mitigating factors that may warrant a reduction below the specified range (see 48 CFR 923.7001(b)). The mitigating factors include, but are not limited to, the following:

(i) Degree of control the contractor had over the event or incident.

(ii) Efforts the contractor had made to anticipate and mitigate the possibility of the event in advance.

(iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.

(iv) General status (trend and absolute performance) of protecting WS&H and compliance in related areas.

(v) Contractor demonstration to the Contracting Officer's satisfaction that the principles of industrial WS&H standards are routinely practiced (e.g., Voluntary Protection Program Star Status).

(vi) Event caused by "Good Samaritan" act by the contractor (e.g., offsite emergency response).

(vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain WS&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, WS&H programs).

(viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in WS&H by use of lessons-learned and best practices inter- and intra-DOE sites.

(2)(i) Except in the case of performance based firm-fixed-price contracts (see paragraph (b)(3) below), the contracting officer, for purposes of this clause, will at the time of contract award, or as soon as practicable thereafter, allocate the total amount of fee or profit that is available under this contract to equal periods of [insert 6 or 12] months to run sequentially for the entire term of the contract (i.e., from the effective date of the contract to the expiration date of the contract, including all options). The amount of fee or profit to be allocated to each period shall be equal to the average monthly fee or profit that is available or otherwise payable during the entire term of the contract, multiplied by the number of months established above for each period.

(ii) Under this clause, the total amount of fee or profit that is subject to reduction in a period in which a performance failure occurs, in combination with any reduction made under any other clause in the contract that provides for a reduction to the fee or profit, shall not exceed the amount of fee or profit that is earned by the contractor in the period established pursuant to paragraph (b)(2)(i) of this clause.

(3) For performance-based firm-fixed-price contracts, the contracting officer will at the time of contract award include negative monetary incentives in the contract for contractor violations relating to the protection of worker safety and health.

(c) Protection of Worker Safety and Health. Performance failures occur if the contractor does not comply with the contract's WS&H terms and conditions, which may be included in the DOE approved contractor Integrated Safety Management System (ISMS). The degrees of performance failure under which reductions of fee or profit will be determined are:

(1) First Degree: Performance failures that are most adverse to WS&H or could threaten the successful completion of a program or project. For contracts including ISMS

requirements, failure to develop and obtain required DOE approval of WS&H aspects of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the WS&H aspects of the contractor's ISMS. The following performance failures or performance failures of similar import will be deemed first degree:

- (i) Type A accident (defined in DOE Order 225.1A).

- (ii) Two Second Degree performance failures during an evaluation period.

(2) Second Degree: Performance failures that are significantly adverse to WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. The following performance failures or performance failures of similar import will be considered second degree:

- (i) Type B accident (defined in DOE Order 225.1A).

- (ii) Non-compliance with approved WS&H aspects of an ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.

- (iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the contract.

(3) Third Degree: Performance failures that reflect a lack of focus on improving WS&H. They include failures to comply with approved WS&H aspects of an ISMS that result in potential breakdown of the contractor's WS&H system. The following performance failures or performance failures of similar import will be considered third degree:

- (i) Failure to implement effective corrective actions to address deficiencies/non-compliance documented through external (e.g., Federal) oversight and/or reported per DOE Order 232.1A requirements, or internal oversight of DOE O 440.1A requirements.

- (ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant WS&H system breakdown.

- (iii) Non-compliances that either have, or may have, significant negative impacts to workers that indicate a significant WS&H system breakdown.

- (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.

B.3 AWARD FEE ADJUSTMENTS

Should the anticipated scope per fiscal year increase or decrease the estimated cost by an estimated 10% or greater from the scope as priced in the contract for that year, the

Contractor and Government will enter into good faith negotiations to revise the award fee pool for that period (and subsequent years as may be appropriate) accordingly.

B.4 FINAL FEE DETERMINATION

(a) Upon successful completion of work as specified in Section C, the Contracting Officer shall determine the total fee earned by the Contractor consistent with the award fee plan, and any reductions made under any other clause of the contract. If the amount of the total fee earned is less than the total amount of all fee payments previously made to the Contractor, the Contractor shall reimburse DOE the difference. The difference is subject to FAR Clause 52.232-17, Interest (JUN 1996). If the amount of total fee earned is more than the total amount of all prior fee payments previously made to the Contractor, DOE shall pay the Contractor the difference.

(b) Termination. If this contract is terminated in its entirety, fee shall be payable to the Contractor consistent with paragraph (a) above. Nothing in this paragraph shall limit or restrict the application of FAR Clause 52.249-6, Termination (Cost-Reimbursement).

B.5 OPTIONS

(a) The Government may unilaterally exercise the Option Periods in accordance with FAR 52.217-9. The Government reserves the unilateral right to extend the period of performance through the exercise of Option Periods I, II and III.

(b) The Contracting Officer will provide written preliminary notice in accordance with the clause entitled 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000).